

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

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|----------------|--|------------------------|
| APPLICANTS: | Hugh MacRae Land Trust (herein) | |
| | "Trust") and Garden Realty Corporation) | DOCKET NO. |
| | (herein "Garden") (Trust and Garden) | VGOB 97-0415-0578 |
| | are sometimes herein collectively) | |
| | referred to as "Applicants")) | (For Pooling Order See |
| |) | VGOB 95-1024-0523) |
| RELIEF SOUGHT: | Clarification of that certain Amended) | |
| | Supplemental Order Amending all Prior) | |
| | Orders Affecting the R-25 Drilling Unit) | |
| | Entered by the Board on October 23, 1998) | |
| | (herein "Disbursement Order")) | |

1. **Hearing Date and Place:** Applicants' request for clarification of the Disbursement Order came on for further hearing before the Virginia Gas and Oil Board (herein "Board") at 9:00 a.m. on June 20, 2000 at the Southwest Higher Education Center, Campus of Virginia Highlands Community College, Abingdon, Virginia.
2. **Appearances:** Jill Harrison of the firm Penn Stuart appeared in behalf of the Applicants; Mark Swartz of the firm Swartz & Stump, L.C. appeared for the Unit Operator; and Sandra B. Riggs, Assistant Attorney General, was present to advise the Board.
3. **Jurisdiction and Notice:** The Board finds that, pursuant to Va. Code § 45.1-361.21 and 45.1-361.22, it has jurisdiction over the establishment and maintenance of escrow accounts for the coalbed methane gas drilling units that are pooled by order of the Board, including the escrow account established by the Board for the R-25 Drilling Unit (herein "Escrow Account").
4. **Relief Requested:** Applicants request that the Disbursement Order be amended by the addition of certain clarification language which is more particularly set forth in Paragraph 5 below.
5. **Relief Granted:** Paragraph 3 of the Disbursement Order entitled "Jurisdiction and Notice" and Paragraph 5 of the Disbursement Order entitled "Findings" are clarified by the addition of the following language:

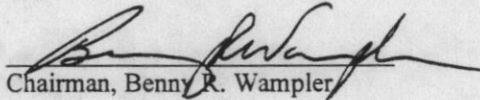
The Board lacks the statutory authority to supercede, impair, abridge or affect any contractual rights or obligations existing between the Operator and the Applicants. The Operator and the Applicants have acknowledged such limitation and have, therefore, agreed that no such party will argue or contend in other pending or future proceedings or actions inter se (including without limitation Levisa Coal Company et al v. Consolidation Coal Company et al., Civil Action No. 97-0117-A, pending in the United States District Court at Abingdon) that the findings and/or order of the Board herein bar their assertion of any claims or defenses, including payment, or otherwise constitute a waiver or an estoppel in such other proceedings or actions.

6. **Conclusion:** Therefore, the clarification language set forth in Paragraph 5 above is approved by the Board and the Disbursement Order is hereby amended accordingly. Further, the Principal Executive to the Staff of the Board is directed to forward a copy of this order, together with the Disbursement Order, to the Board's escrow agent to facilitate the disbursement of the funds on deposit in the Escrow Account to the Applicants, and IT IS SO ORDERED.
7. **Appeals:** Appeals of this order is governed by the provisions of Va. Code § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court and that whenever a coal owner, coal operator, gas owner, gas operator, or operator of a gas storage field

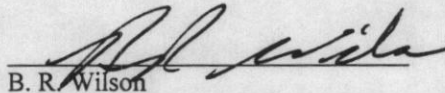
certificated by the State Corporation Commission is a party in such action, the court shall hear such appeal de novo. Such appeals must be taken in the manner prescribed in the Administrative Process Act, Va. Code §§ 9-6.14:1 *et seq.*

8. **Effective Date:** This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 23rd day of August, 2000, by a majority of the Virginia Gas and Oil Board.

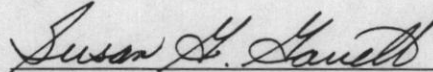

Chairman, Benny R. Wampler

DONE AND PERFORMED THIS 25th day of August, 2000, by an Order of this Board.


B. R. Wilson
Principal Executive to the Staff
Virginia Gas and Oil Board

COMMONWEALTH OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 23rd day of August, 2000, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny R. Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

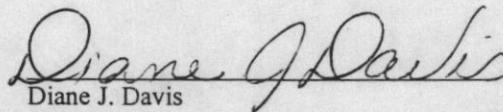

Susan G. Garrett
Notary Public

My Commission expires: July 31, 2002

COMMONWEALTH OF VIRGINIA)
COUNTY OF WASHINGTON)

Acknowledged on this 25th day of August, 2000, personally before me a notary public in and for the Commonwealth of Virginia, appeared Byron Thomas Fulmer, being duly sworn did depose and say that

he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.


Diane J. Davis
Notary Public

My commission expires: September 30, 2001